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Director

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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June 1, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Board of Supervisors
GLORIA MOLINA
First District
YVONNE BRATHWAITE BURKE
Second District
ZEV YAROSLAVSKY
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF
PUBLIC SOCIAL SERVICES TO SIGN AND EXECUTE AMENDMENT NO. 4 TO THE
AGREEMENT WITH THE PERSONAL ASSISTANCE SERVICES COUNCIL
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of the Department of Public Social Services (DPSS) to execute the enclosed Amendment No. 4 to County Agreement Number 72426 with the Los Angeles County Personal Assistance Services Council (PASC). The term of the original Agreement is September 14, 1999 through June 30, 2000, automatically renewing July 1st of every year without further action. The amendment is needed to:

- ▶ Authorize DPSS to reimburse the PASC for their monthly administrative costs by providing monthly payments prior to receiving State and federal reimbursements.
- ▶ Increase the annual Maximum Contract Amount (MCA) by \$2.0 million to reflect these monthly payments, with no change in net County cost (NCC).
- ▶ Incorporate the required fiscal monitoring and general contract provisions.

"To Enrich Lives Through Effective And Caring Service"

- ▶ Authorize the appropriation of \$21.0 million in Fiscal Year (FY) 2003-04 and \$6.0 million for July 2004 through September 2004, for the portion of the In-Home Supportive Services (IHSS) provider wage above the minimum wage.
- ▶ Increase the maximum costs allowable from \$350,000 to \$500,000 for PASC administrative costs associated with the PASC-Service Employees International Union Homecare Workers Health Care Plan (Health Care Plan) to cover increased costs associated with implementing the change in the health care eligibility threshold from 112 hours per month to 80 hours. The \$150,000 increase will be funded with State and federal revenue and approximately \$30,000 of NCC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Currently, PASC reports its administrative costs to DPSS for inclusion on the Department's claims for State and federal reimbursement on a monthly basis. It then takes approximately six months for DPSS to receive the funding and pass through the funds to PASC. The recommended actions would allow DPSS to reimburse PASC upon the Department's approval of the administrative costs, prior to receipt of the State and federal funds. This is needed to mitigate the PASC's cash flow issues and prevent service interruption.

In addition, approval of Amendment No. 4 will strengthen DPSS and PASC fiscal accountability as it contains fiscal monitoring provisions as required by your Board and the Auditor-Controller. The provisions are necessary due to the change in reimbursement practices.

Your Board's approval to increase the maximum amount reimbursable to PASC for administration of the Health Care Plan would reimburse PASC for workload increases associated with implementation of the change in Health Care Plan eligibility previously approved by your Board.

Amendment No. 4 also incorporates general provisions regarding provider wages.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions are consistent with the principles of the Countywide Strategic Plan, Goal 3, Organizational Effectiveness, and Goal 4, Fiscal Responsibility to ensure that service delivery systems are efficient, effective and goal oriented by strengthening both DPSS and PASC fiscal responsibilities.

FISCAL IMPACT/FINANCING

Amendment No. 4 increases the MCA of the Agreement by \$2.0 million, from \$0.5 million to \$2.5 million, at no additional NCC. The funding is included in the FY 2003-04 Adopted Budget. In addition, Amendment No. 4 increases the total amount for the PASC Health Care Plan administrative costs by \$150,000, from \$350,000 to \$500,000. Based on current sharing ratios, the increase will be funded by approximately \$120,000 of State and federal revenue, and \$30,000 NCC. Funding for this purpose was added to the FY 2003-04 Budget as a result of the Board's earlier action to expand the Health Care Plan eligibility threshold.

The County appropriated \$21.0 million in FY 2003-04 and \$6.0 million for July 2004 through September 2004, for the portion of the IHSS provider wage above the minimum wage. These amounts were included in the FY 2003-04 Adopted Budget and the FY 2004-05 Proposed Budget, respectively.

FACTS AND PROVISIONS/ LEGAL REQUIREMENTS

The County entered into Agreement 72426 establishing the PASC as the employer of record for IHSS providers on September 14, 1999. Amendment No. 1, entered into on October 24, 2000, recognized additional appropriation for an IHSS provider wage increase. On January 8, 2002, your Board approved Amendment No. 2 initiating the Health Care Plan and Amendment No. 3 recognizing a second IHSS provider wage increase was entered into on November 20, 2002.

Due to the unique nature of the agreement between the County and PASC, the Chief Administrative Office and County Counsel concur that this amendment does not need to include the standard contract language relating to performance measures.

Amendment No. 4 to Agreement Number 72426 will become effective upon the execution of both parties. The Agreement will continue to renew automatically for one-year terms each July 1st without further action of either party.

County Counsel has reviewed and approved Amendment No. 4 as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will reduce the Health Care Plan eligibility threshold from 112 to 80 hours per month, which significantly increases the number of providers eligible to participate in the Plan.

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CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to DPSS.

Respectfully submitted,



Bryce Yokomizo, Director

BY:vs

Enclosure

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors
Personal Assistance Services Council